

1                                    **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2    In the Matter of the Mortgage Banker License of:    No. 06F-BD024-BNK

3    **AMERICAN MORTGAGE SPECIALISTS,**  
4    **INC. AND ERIC L. WEIGHT, PRESIDENT**  
5    1255 W. Baseline Road, Suite 288  
6    Mesa, AZ 85202

**CONSENT ORDER**

Respondents.

7            On January 18, 2006, the Arizona Department of Financial Institutions ("Department")  
8    issued a Notice of Hearing alleging that Respondents had violated Arizona law. Wishing to resolve  
9    this matter in lieu of an administrative hearing, and without admitting or denying liability  
10   Respondents do not contest the following Findings of Fact and Conclusions of Law, and consent to  
11   the entry of the following Order.

12                                    **FINDINGS OF FACT**

13            1.        Respondent American Mortgage Specialists, Inc. ("AMS") is an Arizona corporation  
14    authorized to transact business in Arizona as a mortgage banker, license number BK 0905487,  
15    within the meaning of A.R.S. §§ 6-941, *et seq.* The nature of AMS' business is that of making,  
16    negotiating, or offering to make or negotiate a mortgage banking loan or a mortgage loan secured by  
17    Arizona real property, within the meaning of A.R.S. § 6-941(5).

18            2.        Respondent Eric L. Weight ("Mr. Weight") is President of AMS. Mr. Weight is  
19    authorized to transact business in Arizona as a mortgage banker within the meaning of A.R.S.  
20    § 6-941(5), as outlined within A.R.S. § 6-943(F).

21            3.        AMS and Mr. Weight are not exempt from licensure as a mortgage banker within the  
22    meaning of A.R.S. §§ 6-942 and 6-941(5).

23            4.        AMS' prior examination on July 22, 2004 resulted in an Order to Cease and Desist;  
24    Notice of Opportunity for Hearing; Consent to Entry of Order No. 05F-BD035-SBD. AMS agreed  
25    to correct all of the violations set forth in the Findings of Facts and in the Report of Examination by  
26    signing and agreeing to a Consent Order No. 05F-BD035-SBD on or around October 18, 2004.

1           5.       Beginning on July 11, 2005 through September 27, 2005, the Department conducted  
2 an examination of the mortgage banker business of AMS and Mr. Weight, and found that the  
3 Respondents have:

- 4           a.       Failed to prominently display Respondents' mortgage banker license at a minimum of  
5                    nine (9) branch offices;
- 6           b.       Failed to notify the Superintendent of at least eight (8) branch office address changes  
7                    and/or branch office closures before the changes occurred: (1) Santos Branch, BK  
8                    BR 0106377; (2) Tulli Branch, BK BR 0106623; (3) Conklin Branch, BK BR  
9                    0108245; (4) Moreno Branch, BK BR 0108431; (5) Baugus Branch, BK BR  
10                  0108674; (6) Castle Branch, BK BR 0108022; (7) Christian Branch, BK BR  
11                  0108029; and (8) Armendariz Branch, BK BR 0108243;
- 12          c.       Engaged in unlicensed activity by making, negotiating, or offering to make or  
13                    negotiate mortgage loans at branch offices before first obtaining a branch office  
14                    license from the Superintendent;
- 15          d.       Failed to obtain at least nine (9) branch office licenses from the Superintendent before  
16                    making, negotiating, or offering to make or negotiate mortgage loans at branch  
17                    offices that are currently operating without a branch office license;
- 18          e.       Transferred or assigned its mortgage banker branch office licenses to at least one  
19                    hundred and five (105) branch managers, specifically:
  - 20                  i.       Required branch managers to pay for all branch start up costs, including, but not  
21                          limited to, the cost of branch office licenses, bank account deposits, background  
22                          checks, accounting fees, HUD license fees, security deposits to the Respondents,  
23                          training, payroll fees, and loan software fees;
  - 24                  ii.       Required branch managers to sign agreements to pay monthly fees for the use of  
25                          its license;
  - 26                  iii.       Failed to assume responsibility and liability for branch office leases that are

- 1                   rightfully the responsibility and liability of Respondents;
- 2           iv.   Failed to assume the responsibility and liability for branch office equipment
- 3               leases that are rightfully the responsibility and liability of Respondents;
- 4           v.   Failed to assume the responsibility and liability for utilities, office supplies and
- 5               equipment, appraisals, alarm equipment, and any other bills incurred by its
- 6               branches that are rightfully the responsibility and liability of Respondents;
- 7           vi.   Has stated to the Better Business Bureau that all of its branches are independent
- 8               of the corporate parent;
- 9           vii.   Failed to maintain physical access to its branches at all times;
- 10       viii.   Failed to maintain control over the payment of branch expenses, resulting in late
- 11               payments to vendors, specifically: late payments to appraisers and utility
- 12               companies;
- 13           ix.   Failed to maintain a uniform settlement service fee structure among all of its
- 14               branch offices;
- 15           x.   Failed to employ practices and procedures consistent with all HUD guidelines;
- 16               and
- 17           xi.   Failed to maintain control over branch bank accounts, allowing branch managers
- 18               to write payroll checks to themselves, and reimburse themselves for questionable
- 19               expenses;
- 20       f.   Solicited and transacted business using an unlicensed name, specifically: the
- 21               Respondents approved the use of a website ([www.nocostaz.com](http://www.nocostaz.com)) and mailings for
- 22               one of the branch managers wherein an unlicensed entity (No Cost Mortgage, Inc.)
- 23               solicits Arizona borrowers;
- 24       g.   Failed to include the required disclosures within regulated advertising, specifically:
- 25           i.   Failed to disclose the annual percentage rate (APR) as prominent as the interest
- 26               rate in one (1) solicitation letter;

- 1           ii. Failed to include all required disclosures when trigger terms were used in six (6)  
2           advertisements; and
- 3           iii. Failed to include the principal place of business license number in five (5)  
4           advertisements/solicitations;
- 5       h. Failed to conduct the minimum elements of reasonable employee investigations  
6       before hiring employees, specifically:
- 7           i. Failed to collect and review all of the documents authorized by the Immigration  
8           and Control Act of 1986 for one (1) employees;
- 9           ii. Failed to obtain a completed "I9" (Employment Eligibility Verification Form) for  
10          one (1) employees;
- 11          iii. Failed to consult with the applicant's most recent or next most recent employer  
12          for sixty (60) employees;
- 13          iv. Failed to inquire regarding an applicant's qualifications and competence for the  
14          position for thirty-seven (37) employees, many of whom were hired prior to the  
15          2004 examination;
- 16          v. Failed to obtain a credit report for six (6) employees for whom credit reports are  
17          required;
- 18          vi. Failed to obtain a credit report before hiring three (3) employees; and
- 19          vii. Failed to conduct further investigation of nine (9) employees with derogatory  
20          credit reports;
- 21       i. Contracted with or paid compensation to unlicensed, independent contractors,  
22       specifically:
- 23           i. Paid \$116,900.80 to two (2) employees on a "1099" basis rather than a "W-2"  
24           basis in 2004;
- 25           ii. Purchased leads from at least one (1) unlicensed lead provider in 2005;  
26               1. May 4, 2005—Red Hot Funding: \$28.95;

- 1           iii. Paid at least one (1) California mortgage broker a co-broker fee in 2005;
- 2                 1. May 3, 2005—Loans Bancorp: \$4,777.50;
- 3           iv. Paid at least one (1) unlicensed loan processor in 2005;
- 4                 1. March 3, 2005 and March 15, 2005—American Financial Group:
- 5                         \$3,475.00;
- 6           v. Paid at least one (1) unlicensed entity a co-broker fee in 2004;
- 7                 1. August 30, 2004—A.E. Couszins Investments, L.L.C.: \$691.20;
- 8           vi. Paid monies to five (5) persons in 2005 for what appear to be referrals;
- 9           vii. Paid at least sixteen (16) employee-owned companies loan origination income
- 10                         and expense reimbursement monies in 2004 and 2005, specifically: (1) KOG
- 11                         Enterprises, Inc.—\$17,290.00; (2) Samor Partners, Inc.—\$27,000.00; (3) JRB
- 12                         Financial, L.L.C.—\$15,595.00; (4) Bell & Associates, Inc.—\$81,885.00; (5) Leo
- 13                         National, Inc.—\$113,910.85; (6) Homeland Financial USA, L.L.C.—
- 14                         \$11,050.00; (7) Go Marketing, Inc.—\$45,857.00; (8) Shannon 2000, Inc.—
- 15                         \$51,720.00; (9) Loan SolutionsOnline.com—\$2,525.27; (10) Smart Loan
- 16                         Shopper.com—\$526.47; (11) Slaysman, McHenry & Associates, L.L.C.—
- 17                         \$8,115.00; (12) Value Loan Concepts, L.L.C.—\$5,340.91; (13) Coel-
- 18                         Management, Inc.—\$47,770.67; (14) Coel's-Equipment—\$45,482.51; (15) Coel-
- 19                         Marketing—\$822.22; and (16) Azsota, Inc.—\$2,700.00;
- 20           j. Failed to update and reconcile records in an accurate and timely manner as evidenced
- 21                         by thirty (30) overdrafts on various accounts, and as evidenced by one (1) "Non
- 22                         Sufficient Funds" (NSF) check written to the Department in the amount of \$250.00;
- 23           k. Failed to maintain correct and complete records, specifically:
- 24                 i. Failed to separate and maintain Arizona financial information from that of other
- 25                         states;
- 26                 ii. Failed to maintain receipts for all company credit card charge accounts; and

- 1           iii. Failed to maintain samples of every piece of advertising for its branches;
- 2           l. Failed to maintain an accurate listing of all executed loan applications for several
- 3           branches, specifically:
- 4           i. The amount of the initial loan request was missing;
- 5           ii. The final disposition dates were missing;
- 6           iii. The final dispositions were missing; and
- 7           iv. The loan officers' names were missing;
- 8           m. Failed to maintain originals or copies of loan transactions, specifically: four (4)
- 9           documents of final disposition (DFD) were missing from the loan files and two (2)
- 10          initial loan applications were not dated;
- 11          n. Allowed borrowers to sign regulated documents containing blank spaces, specifically:
- 12          i. Thirteen (13) preliminary truth in lending (TIL) disclosures were signed with the
- 13          middle section blank;
- 14          ii. Twelve (12) affiliated business disclosures were signed in blank even though
- 15          such disclosures were not required;
- 16          iii. One (1) good faith estimate (GFE), one (1) flood hazard notice, one (1) Patriot
- 17          Act disclosure, one (1) written fee agreement, and six (6) homeowner's insurance
- 18          disclosures were signed in blank;
- 19          iv. The authorization to complete blank spaces disclosure did not specifically
- 20          identify the blank spaces to be completed;
- 21          v. The consent to complete documents disclosure was missing the required notice
- 22          conspicuously printed on its face; and
- 23          vi. The consent to complete blank spaces disclosure did not identify the document
- 24          and blank spaces to be completed;
- 25          o. Failed to comply with the disclosure requirements of Title I of the Consumer Credit
- 26          Protection Act (15 U.S.C. §§ 1601 through 1666j), the Real Estate Settlement

1 Procedures Act (12 U.S.C. §§ 2601 through 2617), and the regulations promulgated  
2 under these acts, specifically:

- 3 i. yield spread premiums were not disclosed within good faith estimates to twenty-  
4 four (24) borrowers; a preliminary good faith estimate was not issued to one (1)  
5 borrower; servicing transfer disclosures were not issued to two (2) borrowers; a  
6 good faith estimate and truth in lending disclosure was not issued to one (1)  
7 borrower; timely servicing transfer disclosures, good faith estimates and  
8 preliminary truth in lending disclosures were not issued to five (5) borrowers and  
9 origination fees, discount fees, underwriting fees, doc prep fees, and application  
10 fees were incorrectly disclosed on eight (8) borrowers' good faith estimates;
- 11 p. Failed to completely disclose material facts in the course of the mortgage banker  
12 business, specifically:
  - 13 i. Paid co-broker fees to an employee's spouse's company without disclosing the  
14 fees on the final settlement statement;
  - 15 ii. Charged borrowers administration fees without fully disclosing what services are  
16 provided to warrant said fees; and
  - 17 iii. Failed to re-disclose annual percentage rates (APRs) to seven (7) borrowers when  
18 the final APRs exceeded the initial APRs by more than the one quarter of one  
19 percent tolerance level;
- 20 q. Failed to include the purpose of payments made in the listing of checks written;
- 21 r. Failed to maintain a trust subsidiary ledger containing all of the required fields,  
22 specifically, the trust subsidiary ledger was missing:
  - 23 i. The loan number;
  - 24 ii. Purpose for the amount received;
  - 25 iii. The date that monies were deposited into the trust account;
  - 26 iv. The amount disbursed;

1 v. The date disbursed; and

2 vi. The balance;

3 In addition, each trust balance had not been reconciled to each trust subsidiary ledger  
4 at each reconciliation;

5 s. Failed to use a correct written fee agreement when accepting advance fees from  
6 borrowers, specifically:

7 i. One Agreement to Terms is missing a signature and date line for the company's  
8 representative and contains incorrect verbiage relating to the refundability of  
9 fees; and

10 ii. A Notice of Obligation to Pay Appraisal Fees incorrectly states that the advance  
11 fee is not refundable for any reason when the fee would be refundable if the  
12 service had not yet been performed;

13 t. Required persons seeking mortgage loans in amounts of two hundred thousand  
14 dollars (\$200,000.00) or less to enter into agreements that were ambiguous and  
15 therefore appeared to discourage the persons from seeking a loan from another  
16 source;

17 u. Failed to observe generally accepted accounting principles and practices, specifically,  
18 incorrectly categorized and reported payroll and business expenses;

19 v. Failed to ensure that the Responsible Individual maintained a position of active  
20 management and failed to ensure that the Responsible Individual was knowledgeable  
21 about Arizona activities, specifically:

22 i. Unlicensed branches were maintained;

23 ii. Branch address changes and branch status changes were not reported timely;

24 iii. Complaint responses were untimely;

25 iv. A previous consent order was not adhered to;

26 v. Five complaints have been received from unpaid appraisers;

- vi. Control over branch fee uniformity has not been maintained;
- vii. Control over branch advertising has not been maintained; and
- viii. Employee owned companies have been reimbursed for expenses that rightfully were expenses of the Respondents;
- w. Failed to furnish information to the Department within a reasonable time, specifically, twenty-three (23) responses to consumer complaints were late; complaints are still open and unresolved;
- x. Failed to use proper appraisal disclosures, specifically, used unlawful appraisal disclosures that limit a borrower to 90 days in which the borrower may request a copy of an appraisal for which the borrower has paid;
- y. Failed to comply with the terms of Consent Order 05F-BD035-SBD, which is grounds for license denial, suspension, or revocation, specifically:
  - i. Failed to obtain the statutory branch office licenses for each branch location before operating said branch offices;
  - ii. Failed to discontinue the transfer or assignment of its mortgage banker license;
  - iii. Failed to include the principal place of business license number, as issued on the principal place of business license, within all advertising, solicitations, and websites;
  - iv. Failed to conduct the minimum elements of reasonable employee investigations before hiring employees;
  - v. Continued to pay compensation to, contract with, or employ as an independent contractor, persons who were acting as a mortgage broker or mortgage banker but who were not licensed in Arizona as such;
  - vi. Failed to adequately reconcile and monitor bank accounts to ensure that bank accounts would not be overdrawn;
  - vii. Failed to maintain either originals or clearly legible copies of all mortgage loan

- 1 transactions for the appropriate period of time;
- 2 viii. Failed to first obtain proper written authorization to fill in blank spaces in certain
- 3 documents before permitting applicants to sign regulated loan documents
- 4 containing blank spaces;
- 5 ix. Failed to comply with the disclosure requirements of Title I of the Consumer
- 6 Credit Protection Act (15 U.S.C. §§ 1601 through 1666j), the Real Estate
- 7 Settlement Procedures Act (12 U.S.C. §§ 2601 through 2617), and the
- 8 regulations promulgated under these acts;
- 9 x. Failed to remove the unlawful 90-day limiting provisions from appraisal
- 10 disclosure forms; and
- 11 xi. Failed to ensure that the Responsible Individual maintained a position of active
- 12 management at all times.

13 6. The Department has found no evidence that Respondents' violations were willful or

14 intentional.

15 7. Respondents have voluntarily agreed to take corrective action and have attempted to

16 comply with the Department's requests. However, such finding does not waive any provisions of

17 this Consent Order

### 18 CONCLUSIONS OF LAW

19 1. Pursuant to A.R.S. § 6-941, *et seq.*, the Superintendent of Financial Institutions

20 ("Superintendent") has the authority and duty to regulate all persons engaged in the mortgage banker

21 business and with the enforcement of statutes, rules, and regulations relating to mortgage bankers.

22 2. By the conduct set forth in the Findings of Fact, AMS and Mr. Weight have violated

23 the mortgage banker statutes and rules as follows:

- 24 a. A.R.S. § 6-944(C) and A.A.C. R20-4-1805 by failing to prominently display the
- 25 mortgage banker license in all offices where business is conducted;
- 26 b. A.R.S. § 6-944(D) by failing to properly notify the superintendent before closures of

- 1 branches and address changes occurred at a minimum of eight (8) branch offices;
- 2 c. A.R.S. § 6-943(A) by engaging in unlicensed mortgage loan activity at branch offices
- 3 before said branch offices were licensed;
- 4 d. A.R.S. § 6-944(D) by currently engaging in mortgage loan activity at a minimum of
- 5 nine (9) unlicensed branch offices;
- 6 e. A.R.S. § 6-944(A) by transferring or assigning its mortgage banker license to at least
- 7 one hundred and five (105) branch managers;
- 8 f. A.R.S. § 6-943(N) by using an unlicensed name in transacting or soliciting business;
- 9 g. A.R.S. § 6-943(N) and A.R.S. § 6-946(E) by failing to use its principal place of
- 10 business license number within all regulated advertising, using trigger terms in
- 11 advertising without all required disclosures and by displaying an annual percentage
- 12 rate less prominent than the interest rate quoted;
- 13 h. A.R.S. § 6-943(O) and A.A.C. R20-4-102 by failing to conduct reasonable
- 14 investigations before hiring employees;
- 15 i. A.R.S. § 6-947(B) and A.A.C. R20-4-102 by paying compensation to unlicensed,
- 16 independent contractors;
- 17 j. A.A.C. R20-4-1806(C) by failing to adequately update and reconcile its bank
- 18 accounts;
- 19 k. A.R.S. § 6-946(A) and A.A.C. R20-4-1806(B) by failing to maintain correct and
- 20 complete records of the mortgage banking business;
- 21 l. A.A.C. R20-4-1806(B)(1) by failing to maintain a proper loan application listing;
- 22 m. A.R.S. § 6-946(A) and A.A.C. R20-4-1806(B)(6) by failing to maintain properly
- 23 completed copies of mortgage loan transactions;
- 24 n. A.R.S. § 6-947(A) and A.A.C. R20-4-1808 by allowing borrowers to sign regulated
- 25 documents containing blank spaces without obtaining the proper authorization from
- 26 the borrowers to complete the blank spaces;

- o. A.R.S. § 6-946(E) and A.A.C. R20-4-1806(B)(6)(e) by failing to issue proper federal disclosures;
- p. A.R.S. § 6-947(L) by misrepresenting co-broker fees, administration fees and annual percentage rates to borrowers;
- q. A.A.C. R20-4-1806(B)(3) by failing to maintain a proper listing of checks written;
- r. A.A.C. R20-4-1806(B)(5) and A.A.C. R20-4-1806(C) by failing to maintain a correct trust subsidiary ledger and by failing to verify each trust balance to each trust subsidiary ledger at each reconciliation;
- s. A.R.S. § 6-946(C) by failing to use proper written fee agreements;
- t. A.R.S. § 6-947(E) by using unlawful exclusive agency agreements;
- u. A.R.S. § 6-946(B) and A.A.C. R20-4-102 by failing to observe generally accepted accounting principles and practices, specifically, incorrectly categorized and reported payroll and business expenses;
- v. A.R.S. § 6-943(F) and A.A.C. R20-4-102 by failing to ensure that the Responsible Individual maintained a position of active management; and
- w. A.R.S. § 6-946(C) by using unlawful appraisal disclosures that limit a borrower to 90 days in which the borrower may request a copy of an appraisal for which the borrower has paid.

3. The violations of applicable laws, set forth above, constitute grounds to deny, suspend, or revoke AMS' and Mr. Weight's mortgage banker license, number BK 0905487, pursuant to A.R.S. § 6-945(A).

4. Respondents failure to comply with Consent Order 05F-BD035-SBD is grounds for license denial, suspension, or revocation pursuant to A.R.S. § 6-945(A)(7).

5. Respondents failure to furnish information to the Department within a reasonable time is grounds for license denial, suspension, or revocation pursuant to A.R.S. § 6-945(A)(3).

6. The violations, set forth above, constitute grounds for the pursuit of any other remedy

1 necessary or proper for the enforcement of statutes and rules regulating mortgage bankers in Arizona  
2 pursuant to A.R.S. §§ 6-123 and 6-131.

3 7. Pursuant to § 6-132, Respondents' violations of the aforementioned statutes are  
4 grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for  
5 each day.

6 **ORDER**

7 1. AMS and Mr. Weight shall immediately correct all violations set forth in the Findings  
8 of Fact and in the Report of Examination. AMS and Mr. Weight:

- 9 a. shall prominently display the mortgage banker license in all offices where business is  
10 conducted;
- 11 b. shall properly notify the Superintendent before closures of branches and address  
12 changes at branch offices;
- 13 c. shall not engage in unlicensed mortgage loan activity at branch offices before said  
14 branch offices are licensed;
- 15 d. shall not engage mortgage loan activity at unlicensed branch offices;
- 16 e. shall not transfer or assign licensee's mortgage banker license to branch managers;
- 17 f. shall not use an unlicensed name in transacting or soliciting business;
- 18 g. shall use its principal place of business license number within all regulated  
19 advertising; shall not use trigger terms in advertising without all required disclosures;  
20 and shall not displaying an annual percentage rate less prominently than the interest  
21 rate quoted;
- 22 h. shall conduct reasonable investigations before hiring employees;
- 23 i. shall not pay compensation to unlicensed, independent contractors;
- 24 j. shall adequately update and reconcile licensee's bank accounts;
- 25 k. shall maintain correct and complete records of the mortgage banking business;
- 26 l. shall maintain a proper loan application listing;

- m. shall maintain properly completed copies of mortgage loan transactions;
- n. shall not allow borrowers to sign regulated documents containing blank spaces without obtaining the proper authorization from the borrowers to complete the blank spaces;
- o. shall issue proper federal disclosures;
- p. shall not misrepresent co-broker fees, administration fees and annual percentage rates to borrowers;
- q. shall maintain a proper listing of checks written;
- r. shall maintain a correct trust subsidiary ledger and by failing to verify each trust balance to each trust subsidiary ledger at each reconciliation;
- s. shall use proper written fee agreements;
- t. shall not use unlawful exclusive agency agreements;
- u. shall observe generally accepted accounting principles and practices;
- v. shall ensure that the Responsible Individual maintains a position of active management; and
- w. shall not use unlawful appraisal disclosures that limit a borrower to 90 days in which the borrower may request a copy of an appraisal for which the borrower has paid.

2. AMS and Mr. Weight will be examined within one (1) year of execution of this Consent Order. The future Examination will be used to determine if AMS and Mr. Weight have complied with this Consent Order and whether any new or additional violations have occurred since the date this Consent Order is entered.

3. AMS and Mr. Weight shall immediately pay to the Department a civil money penalty in the amount of two hundred twenty-five thousand dollars (\$225,000.00). AMS and Mr. Weight are jointly and severally liable for payment of the civil money penalty. The Respondents shall pay the civil money penalty to the Department according to the following schedule:

- a. Sixty thousand dollars (\$60,000) due on March 15, 2006;

- b. Fifty-five thousand dollars (\$55,000) due on May 15, 2006;  
c. Fifty-five thousand dollars (\$55,000) due on July 15, 2006; and  
d. Fifty-five thousand dollars (\$55,000) due on September 15, 2006.

4. The provisions of this Order shall be binding upon Respondents, their employees, agents and other persons participating in the conduct of the affairs of Respondents.

5. This Order shall become effective upon service, and shall remain effective and enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated or set aside.

SO ORDERED this 22nd day of March, 2006.



Felecia A. Rotellini  
Superintendent of Financial Institutions

**CONSENT TO ENTRY OF ORDER**

1. Respondents acknowledge that they have been served with a copy of the foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.

2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.

3. Respondents state that no promise of any kind or nature has been made to induce them to consent to the entry of this Order, and that they have done so voluntarily.

4. Respondents acknowledge that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.

5. Eric L. Weight, signing on behalf of American Mortgage Specialists, Inc. and himself, represents that he is the president and as such, has been authorized by American Mortgage

1 Specialists, Inc. to consent to the entry of this Order on its behalf.

2 6. Respondents waive all rights to seek judicial review or otherwise to challenge or  
3 contest the validity of the Notice of Hearing.

4 DATED this 13 day of March, 2006.

5  
6 By: 

Eric L. Weight, President  
American Mortgage Specialists, Inc.

7  
8  
9  
10 ORIGINAL of the foregoing filed this 23rd  
11 day of March, 2006, in the office of:

12 Felecia A. Rotellini  
13 Superintendent of Financial Institutions  
14 Arizona Department of Financial Institutions  
15 ATTN: June Beckwith  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

16 COPY mailed same date to:

17 Lewis D. Kowal  
18 Administrative Law Judge  
19 Office of the Administrative Hearings  
1400 West Washington, Suite 101  
Phoenix, AZ 85007

20 Craig A. Raby  
21 Assistant Attorney General  
22 Office of the Attorney General  
1275 West Washington  
Phoenix, AZ 85007

23 Robert D. Charlton, Assistant Superintendent  
24 Joan Doran, Senior Examiner  
25 Arizona Department of Financial Institutions  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

1 AND COPY MAILED SAME DATE by  
2 Certified Mail, Return Receipt Requested, to:

3 Eric L. Weight, President  
4 American Mortgage Specialists, Inc.  
5 1255 W. Baseline Road, Suite 288  
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